ARSENAL ANNOUNCE FULL YEAR PROFITS

- Group profit before tax was GBP4.7 million (2013 - GBP6.7 million).
- The group's total turnover amounted to GBP301.9 million (2013 - GBP280.4 million).
- Turnover from football increased to GBP298.7 million (2013 - GBP242.8 million) driven mainly by Premier League broadcasting, the FA Cup run and commercial activity including a full year of the Club's extended partnership with Emirates.
- Taking account of increased costs, principally wage costs, operating profits (before depreciation and player trading) from football increased to GBP62.1 million (2013 – GBP25.2 million).
- Wage costs of GBP166.4 million (2013 - GBP154.5 million) represented 55.7% of football revenue (2013 – 63.6%).
- Profit on sale of player registrations was reduced to GBP6.9 million (2013 - GBP47.0 million).
- Low key year for property business with revenues of GBP3.2 million (2013 - GBP37.5 million including sale of the market housing site at Queensland Road) and operating profit of GBP0.4 million (2013 - GBP4.4 million).
- The Group has no short-term debt and continues to be in a robust financial position with cash balances, excluding those amounts designated as debt service reserves, of GBP173.3 million (2013 - GBP119.6 million).

Commenting on the results for the year the Club's Chairman, Sir Chips Keswick, said:

"Our revenues have exceeded GBP300 million, underpinned by TV and the significant progress made on our commercial agenda, and our improved financial position has allowed us to supplement the squad with important new signings. Our ambition is to put Arsenal Football Club at the pinnacle of the game here and in Europe. We all want to savour a repeat of the joys of last May."

The Club's Chief Executive Officer, Ivan Gazidis, said:

"The Club is in excellent shape, both on and off the pitch. We are proud of our 11th FA Cup success and the reward this represents to our fans in the Arsenal community around the world. There is always more to do and, whether investing in the team or in training facilities which will provide long-term benefit to the Club, our guiding principles are the same and our focus is clear, on delivering more on field success. This remains the shared ambition of our majority shareholder Stan Kroenke, the Board and everyone connected with the Club. We are well placed to deliver against those ambitions."

Arsenal Holdings plc
Chairman's Statement

When I was appointed Chairman of this great Club I made it clear that I wanted to remain true to our philosophy and principles, whilst helping us move forwards and competing for trophies at home and in Europe.

With this in mind it was with considerable delight that I joined the team and many tens of thousands of fans on the open top bus parade of Islington following our FA Cup success in May. It was a very special day for all of us and one which will remain in the memory for some considerable time to come. I would like to thank Islington Council for their hospitality at the Town Hall and their support of the whole event, which helped it to run so smoothly.

The FA Cup Final victory over Hull City was the culmination of a dramatic season where we were consistently competing close to the top of the Premier League. We ultimately sealed qualification for the Champions League for a 17^{th} successive season with a fourth place finish. With the intensity of competition increasing year on year this represents unprecedented consistency and huge credit must go to Arsène Wenger for this achievement.

Consequently, we were delighted to secure Arsène's signature on a renewed contract. This provides us with continued stability and direction on the football front, which we believe are vital ingredients in the recipe for further success.

Our improved financial position has also allowed us to supplement the squad with important new signings. Alexis Sanchez, Mathieu Debuchy and David Ospina enjoyed outstanding World Cup tournaments for Chile, France and Colombia respectively and Calum Chambers is a very talented young player. We have also continued to retain the core of our team on new contracts which means we can build on the unity and spirit that was so evident last season. Finally, on the closing day of the transfer window we secured the signing of England international forward, Danny Welbeck.

Off the pitch you will read in the following pages that our revenues have exceeded GBP300 million and that we have reported a profit before tax of GBP4.7 million. This has been underpinned by both TV revenues and the significant progress made on our commercial agenda. Our popularity around the world continues to grow apace and is making us an attractive proposition to potential sponsors. As a result, we have brought in a number of new partners and, in particular, we have welcomed PUMA as our new kit provider from the start of the current campaign. Significant progress has also been made in our retail operations and our media business continues to spread the Club's name far and wide through digital and social media.

Our commitment to both our local and global communities has again made a difference for many thousands of people. The Arsenal Foundation goes from strength to strength, thanks in no small part to financial contributions from our players and fans, whilst the Arsenal in the Community team continues its sterling work in and around the Borough of Islington.

Once again we have enjoyed magnificent support from our loyal fans. Emirates Stadium was sold out for most of last season and the support we receive both home and away and from around the world is hugely gratifying and something we will never underestimate.

My thanks are due to our majority shareholder, Stan Kroenke, for his guidance and support, my fellow directors, our management team and entire staff for all their hard work and dedication over

the last year. I should also take this opportunity to publicly thank Liam Brady, who leaves us after 17 years of outstanding work with our Youth Academy, and our Chief Commercial Officer, Tom Fox, who has left us to become Chief Executive Officer at Aston Villa. I also fully recognise the support and contribution from our commercial partners.

In closing, we look forward with excitement and optimism. Mr Kroenke, myself and everyone at the Club are as one in our ambition to put Arsenal Football Club at the pinnacle of the game here and in Europe. We all want to savour a repeat of the joys of last May.

I look forward to welcoming you all to Emirates Stadium over the course of the season.

Sir Chips Keswick
Chairman
19 September 2014

Arsenal Holdings plc
Chief Executive's Report

Overview

Sitting on the open top bus taking in the scenes of jubilation as we toured Islington with the FA Cup in May was very special for everyone associated with Arsenal. The shared pride and unity was there for all to see. I know the scenes of joy were repeated in the Arsenal community around the world and it was a terrific re-affirmation of what this football club means to so many people.

The nerve-jangling victory over Hull City was also a triumph delivered by remaining true to our principles and beliefs. That has been our mantra on and off the pitch and the Wembley success showed that we are on the right path. In addition, we finished the League campaign just seven points short of the Premier League title and have since translated our fourth place finish into a 17th successive season of Champions League football.

Arsène Wenger has extended his contract for a further three years and is as hungry as ever for more success. We continue to drive forwards across every aspect of our activities.

We are making significant progress but there is plenty more to be done.

Football

Our strong financial platform has allowed us to retain all of our key players whilst supplementing the squad with some high quality global talent.

Contracts have been renewed with Santi Cazorla, Serge Gnabry, Laurent Koscielny, Per Mertesacker, Aaron Ramsey, Thomas Rosicky and Wojciech Szczesny. This builds on the re-signing of several key players last year and gives the squad real stability for the future.

In addition, Alexis Sanchez joined us from Barcelona after a highly successful World Cup with Chile while Colombia's first choice keeper David Ospina has joined us from Lille where he has been one of the top performing goal keepers in French football. French right back Mathieu Debuchy joined us from Newcastle United, again after representing his country in Brazil. Calum Chambers, signed from Southampton, is showing huge promise with the ability to play in a number of positions and has already earned a first England cap. Finally, another England international, Danny Welbeck, was signed to further strengthen our attacking options.

This puts us in an excellent position but I must stress that our long held philosophy, to identify and develop young players, remains key to our future. With this in mind Andries Jonker has succeeded Liam Brady as our Head of the Youth Academy. Andries joins us from Vfl Wolfsburg and has an outstanding track record of developing young talent. He established the Dutch FA's world renowned youth development programmes and he will bring this expertise to bear as we build on Liam's outstanding legacy of the past 17 years.

We are also putting significant financial investment into our youth development activities. The first phase of extensive refurbishment work has been completed to our facilities at Hale End and work on a second phase is well underway. We are investing in new staff and looking at the very latest techniques in sports science and physical development. We are also looking to strengthen our global scouting networks to ensure we find the very best young talent in the game. This is important to our long-term success and it is a policy we will continue to pursue vigorously.

Investments are also being made in people and infrastructure at our London Colney training centre. We are putting forward plans for improvements which will take us to the next level in terms of fitness and preparation facilities and I look forward to work getting underway in 2015.

The Arsenal Ladies

The Ladies won the Women's FA Cup for a remarkable 13th time after an outstanding 2-0 victory over Everton at MK Stadium. Prior to the victory, Manager Shelley Kerr had decided to move back to Scotland after 18 months with us. We are grateful for all her hard work and wish her every success in her new role as Manager of Stirling University in the Lowland League. We have recently appointed Pedro Losa from Western New York Flash as manager and wish him every success.

I would also like to pay tribute to Vic Akers who is stepping away from the day to day running of the Ladies' team after 27 years. Vic has been the driving force behind the team since its inception and has been named Founder and Honorary President. Former player Clare Wheatley moves into the position of General Manager, where she will oversee player transfers, contract renewals and certain aspects of coaching.

Business update

The financial results for the year, which are covered in more detail in the Financial Review section, show our turnover moved above GBP300 million. This was driven by the uplift in Premier League broadcasting revenues and the inclusion of a full year contribution from our extended partnership with Emirates.

Commercial Partnerships

In January this year we announced our new partnership with PUMA, who become the Club's Official Kit Partner from 1 July 2014. The deal represents the biggest partnership agreement in both Arsenal and PUMA's history and the financial impact of this deal will begin to be realised in the next financial year. The partnership is testimony to the strength of the Arsenal name around the world. We continue to enjoy significant momentum in attracting new partners to the Arsenal family. During the course of the past year we have agreed partnerships with brands including Gatorade, Huawei, Cooper Tires, Lanvin, JEANRICHARD, Pru Health, Europcar, Hansa Pilsener and BT Sport as well as renewing our global deals with Citroen and Indesit. This represents strong achievement and demonstrates the progress we have made in transforming our commercial operation in recent years.

Following Tom Fox's departure to become Chief Executive Officer at Aston Villa, Vinai Venkatesham, who has led our partnership business since joining us four years ago from the London 2012 Organising Committee, has been appointed Chief Commercial Officer. Having worked closely with Vinai during this period I am confident he will continue to drive our commercial activities forward.

Retail

We continue to invest in our retail operations. Our flagship Armoury store underwent a transformation at the end of last season, as part of a joint project with PUMA, and trading has been very strong since we re-opened in July. Moving forward, we have plans to invest in our on-line retail systems to improve the experience for supporters, both in the UK and Internationally.

Arsenal.com

Our media group continued to drive strong reach and engagement with supporters around the world through digital and social media channels. www.Arsenal.com remains the first port of call for all Arsenal news, with very strong traffic numbers. We also now have 28 million followers on Facebook, more than 4 million on Twitter and our recently launched YouTube channel already has 135,000 subscribers. In addition, we continue to develop our usage of Instagram, Sound Cloud, Flickr and our social media presence in China.

We also recently renewed our partnership with MP & Silva, who will continue to distribute the club's international programming block (The Arsenal Media Channel) and will remain the Club's strategic media advisor. In the 2013/14 season, MP & Silva delivered a record distribution of the Arsenal Media Channel to 130 territories in five continents, covering a potential audience reach of 392 million households in Europe, Asia-Pacific, MENA, Latin America and North America.

Pre-season 2014/15

We made a successful, albeit brief, trip to New York as part of our pre-season preparations. It was great to be reunited with our old friend Thierry Henry for the game against the New York Red Bulls and the reception we received from our fans in America was phenomenal. We were all struck by the depth of following for Arsenal and the increased interest and understanding for the game as a whole. Football continues its long-term growth in the US and increased television promotion and exposure will accelerate the game's growth across all demographics in the States.

The visit to New York was followed by another highly successful Emirates Cup. The weekend attracted 120,000 fans, many of whom were young families visiting us for the first time. They saw La Liga side Valencia take the trophy after an exciting weekend of football involving ourselves, Portuguese champions Benfica and French club AS Monaco.

Arsenal Foundation and Community Activities

The Arsenal Foundation has continued to provide essential funding for a variety of local and global projects and our partnerships with Save the Children, the Willow Foundation and Islington Giving continue to flourish. In addition our Arsenal in the Community team continues to deliver hugely important programmes in Islington and surrounding boroughs, reaching more than 5,000 people through 350 sessions every week.

Looking ahead

The Club is in excellent shape, both on and off the pitch.

We are proud of our 11th FA Cup success and the reward this represents to our fans in the Arsenal community around the world. There is always more to do and, whether investing in the team or in training facilities which will provide long-term benefit to the Club, our guiding principles are the same and our focus is clear, on delivering more on field success. This remains the shared ambition of our majority shareholder Stan Kroenke, the Board and everyone connected with the Club. We are well placed to deliver against those ambitions.

We look forward to the rest of the season with excitement.

I E Gazidis
Chief Executive Officer
19 September 2014

Arsenal Holdings plc
Financial Review

The Group recorded a profit before tax for the 2013/14 year of GBP4.7 million (2013 - GBP6.7 million).

Essentially, this result reflects a balance of two factors:

- Increased revenues from broadcasting and sponsorship, taking the Group's turnover above GBP300 million and resulting in an operating profit which was more than doubled at GBP62.4 million (2013 - GBP29.7 million)
- A quiet year in terms of outbound player transfers which meant an overall deficit on player trading of GBP32.6 million (2013 – profit of GBP1.6 million).

	2014 GBPm	**2013** GBPm
Group turnover	301.9	280.4
Operating profit before amortisation, depreciation and player trading	62.4	29.7
Player trading (see table below)	(32.6)	1.6
Amortisation of goodwill and depreciation	(12.8)	(12.5)
Joint venture	0.7	0.9
Net finance charges	(13.0)	(13.0)
Profit before tax	4.7	6.7

The main drivers for the revenue increase were the significantly improved Premier League television contracts, recognition of a full year of the enhanced partnership arrangements with Emirates and our FA Cup success. These football revenue gains were partially offset by a lower level of activity in the property business.

Player trading consists of the profit from the sale of player registrations, the amortisation charge, including any impairment, on the cost of player registrations and fees charged for player loans.

	2014 GBPm	2013 GBPm
Profit on disposal of player registrations	6.9	47.0
Amortisation of player registrations	(40.0)	(41.3)
Impairment of player registrations	-	(5.7)
Loan fees	0.5	1.6
Total Player Trading	**(32.6)**	**1.6**

The profit on sale of players for the year amounted to GBP6.9 million (2013 - GBP47.0 million) with only the sales of Gervinho and Mannone generating appreciable fees; this was a significant reduction as compared to the profits generated from the sales of van Persie and Song in the prior year. There was no requirement to book any impairment charges against the carrying values of the playing squad for the year under review.

During the period we invested strongly in the playing squad and GBP64 million was booked in relation to the acquisition of new players, including Mesut Özil, and, to a lesser extent, the extension of contract terms for certain existing players. The cash impact of these acquisitions was partially offset by the collection of receivables on previous player sales and by the credit terms agreed with the vendor clubs, which meant that overall the Group has maintained its strong cash position.

At the balance sheet date, the Group's total cash and bank balances amounted to GBP207.9 million (2013 - GBP153.5 million), inclusive of debt service reserve balances of GBP34.6 million (2013 - GBP33.8 million). The Group's overall net debt was GBP32.6 million (2013 - GBP93.2 million).

Football Segment

	2014 GBPm	2013 GBPm
Turnover	298.7	242.8
Operating profit before depreciation and player trading	62.1	25.2
Player trading	(32.6)	1.6
Profit before tax	3.8	1.6

There were three more home fixtures than in the prior year, with one more game in the UEFA Champions League and two more home FA Cup ties. Our 29 home fixtures (19 Barclays Premier League, five UEFA Champions League, four Budweiser FA Cup and one Capital One Cup) achieved an average tickets sold per game of 59,790 (2013 – 59,928). In addition, the Emirates Cup returned successfully to our pre-season schedule after its Olympic break in

2012. Overall match-day revenue rose to GBP100.2 million (2013 - GBP92.8 million) – only the second time this has topped the GBP100 million mark. Despite achieving a near record high, match-day was replaced by Broadcasting as the Group's number one source of revenue.

Broadcasting revenues benefited from the Premier League's significantly improved deals with Sky and BT and in addition our league form meant we attracted a higher number of live game facility fees, 25 for the season (2013 – 22). Broadcasting fees for FA Cup coverage are paid at a much lower rate, but none the less our run to Wembley made a contribution as did the sale of the TV rights for the Emirates Cup. In total, broadcasting revenue rose by some 40 per cent to GBP120.8 million (2013 - GBP86.0 million). With BT's exclusive acquisition of the UK rights to the UEFA Champions League for season 2015/16 there is a further uplift in this revenue line on the horizon which only serves to further increase the financial significance of a top four Premier League placing.

Commercial revenue growth has been a key target over recent years and we have made excellent progress - in the five years since 2009 the Group's commercial revenues have risen by more than 70%.

Combined retail and commercial revenues for the year rose by some 24% to GBP77.1 million (2013 - GBP62.4 million). The main driver for this growth was the extended partnership contract with Emirates which made a full year contribution; in the prior year there was only a six month benefit from this contract. We also added to our roster of secondary partnerships with Cooper Tires, JEANRICHARD and Lanvin amongst the new business secured.

Our retail business made a strong start to the year but, as predicted, was held back in the second half by lower available stocks of replica kit as part of the planned transition from Nike to PUMA. The new five year kit partnership with PUMA did not come into force until after the financial year end and therefore no revenues or costs from this contract have been included in the profit and loss account for 2013/14.

Payroll was once again the largest and most important area of cost. Wage costs for the year rose by 7.7% (2013 – 7.7%) to GBP166.4 million (2013 - GBP154.5 million), which was mainly attributable to increases in the cost of our football playing and support staff. In light of the strong correlation which exists between player wage expenditure and on-field success we should be clear that having the resources to grow our wage bill in a rational and responsible manner actually represents a positive outcome. Given the greater financial resources of certain of our main competitors, it remains an imperative that the money we do commit to wages is spent as efficiently as possible.

Our average permanent headcount for the year was 548, only marginally increased over the prior year (2013 – 537). We will continue to invest prudently in people as and when there is an opportunity to grow or improve our business as a result.

As a consequence of our increased revenues, the ratio of total wage bill to football revenues was reduced to 55.7% (2013 – 63.6%). This ratio is widely used as a benchmark in analysis of

football club finance. However, the Group does not set any particular wage ratio as a performance target but rather monitors its total player spend, a combination of wages plus transfer expenditure and related costs, on a rolling three year basis against its projections for the available funds generated over that period by the Group's business activities.

Other operating costs, which include all the direct and indirect costs and overheads associated with the Club's football operations and revenues, rose to GBP69.9 million (2013 - GBP61.6 million). The reasons for this change were multi-faceted. Elements of our increased revenue inevitably carry an associated increased cost, for example the costs of staging an increased number of home games including the Emirates Cup and the costs of servicing our larger number of partnership deals. Our other operating costs expressed as a percentage of our football revenues were 23.4% (2013 – 25.4%).

Property Segment

	2014 GBPm	**2013** GBPm
Turnover	3.2	37.5
Operating profit	0.4	4.4
Profit before tax	0.9	5.1

In contrast to last year, which included the sale of the major development site at Queensland Road north-east, sales activity in our property business was at a very low level and confined to the disposal of a small number of houses associated with the Highbury Square development. As a consequence the contribution from property to the Group's profit before tax was reduced to GBP0.9 million (2013 - GBP5.1 million).

We continue to investigate the opportunities for viable development schemes for our two remaining property sites on Hornsey Road and Holloway Road. The outcome of a judicial review process, decided earlier this year, meant we were unable to progress one possible scheme for Hornsey Road and that decision is itself now subject to an appeal. Planning consent for this site is proving to be a difficult process and until it is resolved we are unable to unlock the value of this site.

Profit after Tax

Overall there is a tax credit of GBP2.6 million (2013 – charge of GBP0.8 million) on the pre-tax result for the period.

This meant that the retained profit for the year was increased to GBP7.3 million (2013 - GBP5.8 million).

There are two significant elements to the tax credit on the result. Firstly, the reduction in corporation tax rates to 20% from April 2015 means that the Group's deferred tax liabilities have been re-valued to this lower rate; this resulted in a GBP5.1 million credit. Secondly, the

tax deductibility of the amortisation charge on player registrations is partially restricted as a result of previous roll-over reliefs claimed on player sales. This meant that our taxable profit was higher than our accounts pre-tax profit and resulted in corporation tax charge payable for the year of GBP3.7 million.

Financial Regulation

The Club is subject to the Financial Fair Play regulations put in place by UEFA and the Premier League. Both sets of regulations have a rolling three year break-even test as their cornerstone, albeit with differing levels of allowable losses. The Premier League regulations also include a wage cap control on an initial short term (three year) basis of which 2013/14 was the first controlled year.

It remains to be seen exactly what impact these regulations will have on the financial landscape at the top of the game domestically and in Europe.

Arsenal continues to be in a strong financial position. We are fully compliant with the FFP requirements and well placed to continue to invest toward further on-field success.

Stuart Wisely
Chief Financial Officer
19 September 2014

Arsenal Holdings plc
Consolidated profit and loss account
For the year ended 31 May 2014

	Note	2014 Operations excluding player trading GBP'000	2014 Player trading GBP'000	2014 Total GBP'000	2013 Operations excluding player trading GBP'000	2013 Player trading GBP'000	2013 Total GBP'000
Turnover of the group including its share of joint ventures		303,754	513	304,267	281,176	1,598	282,774
Share of turnover of joint venture		(2,395)	-	(2,395)	(2,400)	-	(2,400)
Group turnover	3	301,359	513	301,872	278,776	1,598	280,374
Operating expenses		(251,736)	(40,072)	(291,808)	(261,634)	(47,021)	(308,655)
Operating profit/(loss)		49,623	(39,559)	10,064	17,142	(45,423)	(28,281)
Share of joint venture operating result		710	-	710	945	-	945
Profit on disposal of player registrations		-	6,912	6,912	-	46,986	46,986
Profit/(loss) on ordinary activities before net finance charges		50,333	(32,647)	17,686	18,087	1,563	19,650
Net finance charges				(13,018)			(12,996)
Profit on ordinary activities before taxation				4,668			6,654
Taxation credit/(charge)				2,603			(849)
Profit after taxation retained for the financial year				7,271			5,805
Earnings per share							
Basic and diluted	4			£116.87			£93.30

Player trading consists primarily of loan fees receivable, the amortisation of the costs of acquiring player registrations, any impairment charges and profit on disposal of player registrations. All trading resulted from continuing operations.

Arsenal Holdings plc
Consolidated balance sheet
At 31 May 2014

	2014 GBP'000	2013 GBP'000
Fixed assets		
Goodwill	1,498	1,924
Tangible fixed assets	421,402	421,539
Intangible fixed assets	114,986	96,570
Investments	3,571	3,031
	541,457	523,064
Current assets		
Stock - development properties	9,849	12,987
Stock - retail merchandise	4,935	2,131
Debtors - due within one year	65,642	88,484
- due after one year	4,861	8,287
Cash and short-term deposits	207,878	153,457
	293,165	265,346
Creditors: amounts falling due within one year	(203,032)	(149,931)
Net current assets	90,133	115,415
Total assets less current liabilities	631,590	638,479
Creditors: amounts falling due after more than one year	(266,478)	(274,721)
Provisions for liabilities and charges	(54,494)	(60,403)
Net assets	310,618	303,355
Capital and reserves		
Called up share capital	62	62
Share premium	29,997	29,997
Merger reserve	26,699	26,699
Profit and loss account	253,860	246,597
Shareholders' funds	310,618	303,355

Arsenal Holdings plc
Consolidated cash flow statement
For the year ended 31 May 2014

	2014 GBP'000	2013 GBP'000
Net cash inflow from operating activities	96,169	53,359
Player registrations	(11,121)	(25,915)
Returns on investment and servicing of finance	(12,409)	(12,356)
Taxation	(2,445)	(47)
Capital expenditure	(8,873)	(6,496)
Acquisition of subsidiary	-	(2,164)
Net cash inflow before financing	61,321	6,381
Financing	(6,900)	(6,549)
Management of liquid resources	(39,781)	36,811
Change in cash in the year	14,640	36,643
Change in short-term deposits	39,781	(36,811)
Increase/(decrease) in cash and short-term deposits	54,421	(168)

Management of liquid resources represents the transfer of cash from/(to) the Group's bank accounts to short-term bank treasury deposits.

Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2014 GBP'000	2013 GBP'000
Operating profit/(loss)	10,064	(28,281)
Amortisation of player registrations	40,072	41,349
Impairment of player registrations	-	4,740
Amortisation of goodwill	426	213
Profit on disposal of tangible fixed assets	(140)	(53)
Depreciation (net of grant amortisation)	12,418	12,294
(Increase)/decrease in stock	(2,472)	24,158
Decrease/(increase) in debtors	9,657	(29,659)
Increase in creditors	26,144	28,598
Net cash inflow from operating activities	96,169	53,359

Analysis of changes in net debt	At 1 June 2013 GBP'000	Non cash changes GBP'000	Cash flows GBP'000	At 31 May 2014 GBP'000
Cash at bank and in hand	65,915	-	14,640	80,555
Short-term deposits	87,542	-	39,781	127,323
	153,457	-	54,421	207,878
Debt due within one year (bonds)	(6,310)	(7,294)	6,900	(6,704)
Debt due after more than one year (bonds)	(212,905)	6,984	-	(205,921)
Debt due after more than one year (debentures)	(27,463)	(367)	-	(27,830)
Net debt	(93,221)	(677)	61,321	(32,577)

Non cash changes represent GBP590,000 in respect of the amortisation of costs of raising finance, GBP367,000 in respect of rolled up, unpaid debenture interest and GBP280,000 in respect of amortisation of the premium on certain of the Group's interest rate swaps.

Arsenal Holdings plc
Notes to preliminary results
For the year ended 31 May 2014

1. The financial information set out above does not constitute the company's statutory accounts for the years ended 31 May 2013 or 2014, but is derived from those accounts. Statutory accounts for 2013 have been delivered to the Registrar of Companies and those for 2014 will be delivered following the company's annual general meeting. The auditor has reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

The accounting policies applied by the Group are as set out in detail in the Annual Report for the year ended 31 May 2014.

The company has complied with the Guidance note 69.1 of the ISDX Growth Market – Rules for Issuers throughout the year ended 31 May 2014.

2. **Segmental analysis**

Class of business:-	**Football**	
	2014 GBP'000	2013 GBP'000
Turnover	298,658	242,825
Segment operating profit/(loss)	9,650	(32,713)
Share of operating profit of joint venture	710	945
Profit on disposal of player registrations	6,912	46,986
Net finance charges	(13,455)	(13,614)
Profit on ordinary activities before taxation	3,817	1,604
Segment net assets	272,449	266,037

Class of business:-	**Property development**	
	2014 GBP'000	2013 GBP'000
Turnover	3,214	37,549
Segment operating profit	414	4,432
Net finance charges	437	618
Profit on ordinary activities before taxation	851	5,050
Segment net assets	38,169	37,318

Class of business:-

	Group	
	2014 GBP'000	2013 GBP'000
Turnover	301,872	280,374
	----------	----------
Segment operating profit/(loss)	10,064	(28,281)
Share of operating profit of joint venture	710	945
Profit on disposal of player registrations	6,912	46,986
Net finance charges	(13,018)	(12,996)
	----------	----------
Profit on ordinary activities before taxation	4,668	6,654
	----------	----------
Segment net assets	310,618	303,355
	----------	----------

Operating profit from football before amortisation, depreciation and player trading amounted to GBP62.1 million (2013 – GBP25.2 million); being segment operating profit (as above) of GBP9.7 million (2013 – loss of GBP32.7 million), adding back depreciation (net of grant amortisation) of GBP12.4 million (2013 - GBP12.3 million), amortisation of goodwill of GBP0.4 million (2013 – GBP0.2 million) and operating loss from player trading of GBP39.6 million (2013 – GBP45.4 million).

3. **Turnover**

Turnover, all of which originates in the UK, comprises the following:	2014 GBP'000	2013 GBP'000
Gate and other match day revenues	100,229	92,780
Broadcasting	120,762	86,025
Retail and licensing	17,938	18,057
Commercial	59,216	44,365
Property development	3,214	37,549
Player trading	513	1,598
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	301,872	280,374
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4. **Earnings per share**

Earnings per share (basic and diluted) are based on the weighted average number of ordinary shares of the Company in issue being 62,217 shares (2013 - 62,217 shares).

5. **Reconciliation of movement in shareholders' funds**

	2014 GBP'000	2013 GBP'000
Profit for the year	7,271	5,805
Exchange difference	(8)	2
Opening shareholders' funds	303,355	297,548
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Closing shareholders' funds	310,618	303,355
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6. **Annual General Meeting**

The annual general meeting will be held at Emirates Stadium, London, N7, on Thursday 16 October 2014 at 11.30 am. The full statement of accounts and annual report will be posted to shareholders on 22 September 2014.